

The Lloyd Morgan Lions Clubs Charitable Trust

Performance Report

For the year ended
30 June 2021

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The Lloyd Morgan Lions Clubs Charitable Trust

Entity Information

For the year ended
30 June 2021

Legal Name of Entity:	The Lloyd Morgan Lions Clubs Charitable Trust
Other Name of Entity (if any):	N/A
Type of Entity and Legal Basis (if any):	Registered charity
Registration Number:	CC23624

Purpose:

To use and apply the income of the Trust Fund for the promotion and encouragement of such charitable purposes in New Zealand including the relief of poverty, the advancement of education, or any other matter beneficial to the community as the Trust Board may from time to time think fit. The objectives of the Trust are achieved by the making of grants and loans to Lions Clubs from the income of the Trust Fund to enable them to complete projects that benefit the community.

Structure:

Governance:

The Trust is governed by a Board consisting of the chairman of the NZ Multiple District Council, the International Director, 7 elected district trustees (one from each of the seven Lions Clubs New Zealand Districts) and Advisory Trustees appointed by the Lions Clubs NZ Multiple District Council of Governors (up to a maximum of 5 such trustees). In addition the Board is assisted by the following officers of the Trust appointed by the Board namely Treasurer, Administration Officer, Legal Counsel and Pin Co-ordinator. The chairman of the Board is appointed by the Multiple District Council.

As at 30 June 2021 the following were the Board members:

Multiple District Council Chairman David Peart
Past International Director Eric Carter
Chairman PDG Keith Kenderdine

District Trustees: 202D PCC Joyce Raven, 202E DG Paul O'Connor, 202F PCC Graeme Wilson, 202J PCC Graham Edge 202K Peter Burch, 202L Paul Reid, 202M Richard Maddren (until February 2021). PDG Keith Kenderdine was appointed as a replacement as 202M District Trustee to hold office until 30 June 2022.

Advisory Trustees: Ray Hancox, PDG Murray Neilson, PDG Roger Robinson, PDG Robert Miller

Officers of the Board: Treasurer and Administration Officer PDG Keith Kenderdine, Legal Counsel DG Murray Pringle and Pin Coordinator PDG Brian Ground.

Committees of the Board are:

Administration: PID Eric Carter (Chairman), DG Murray Pringle, Peter Burch, DG Paul O'Connor, PDG Keith Kenderdine

Finance and Investment: PDG Roger Robinson (Chairman), Ray Hancox, PDG Keith Kenderdine

Grants & Loans: PCC Joyce Raven (Chairman), PCC Graham Edge, PDG Murray Neilson, PCC Graeme Wilson, PDG Keith Kenderdine

Promotions: PDG Robert Miller (Chairman), Paul Reid, PDG Keith Kenderdine

The Lloyd Morgan Lions Clubs Charitable Trust

Entity Information

For the year ended
30 June 2021

Patron

PCC David Gault, who was appointed Patron in February 2016, died on 7 May 2021. At balance date, the position was vacant.

Sources of Cash and Resources:

The main sources of funds are:

Capital Fund

Contributions from Clubs - a voluntary contribution from each club usually based on the number of members each club may have.

Contributions for awards-clubs make donations to the Trust in the name of a member whose involvement within the clubs or their community deserves to be recognised. Donations can also be made to recognise non-Lion individuals or organisations that have assisted the clubs in carrying out their community projects.

Funds received from the above sources are added to the capital of the Trust.

Income Fund

Income generated from investments held by the Trust goes into the Income Fund, and it is this money that is available to the Trustees to disburse to Clubs (either by grant or loan) according to set guidelines

Main Methods Used to Raise Funds:

Funds are provided to the Trust in the manner described above under "Sources of Cash and Resources".

Reliance on Volunteers and Donated Goods or Services:

All Board members are volunteers and donate their time without recompense. The position of Treasurer provides for a fee to be charged for the provision of accounting services. Officers of the Trust, other than the Treasurer, donate their services to the Trust.

Contact details:

Postal Address:

P.O. Box 58041, Whitby
Porirua 5245

Phone/Fax:

Chairman: 09 836 8552 From 1 July 2021

Email addresses:

Chairman: carter.mob@xtra.co.nz From 1 July 2021
Administration: lmlcct.admin@lionsclubs.org.nz

Website:

www.lionsclubs.org.nz/clubs/lloyd-morgan

The Lloyd Morgan Lions Clubs Charitable Trust

Statement of Service Performance

For the year ended

30 June 2021

Outcomes:

The Trust continued to provide funds to Lions Clubs throughout New Zealand that enabled the clubs to complete projects that assist the communities in which they serve, such grants and loans being supported by ongoing contributions by the clubs to the Capital Fund of the Trust which has enabled investment income to be earned which is then available for grants and loans.

Outputs:

	2021		2020	
	No. of Grants	Amount	No. of Grants	Amount
Grants made:				
For Community Facilities	8	81,529	9	100,742
For Educational Purposes	4	37,500	3	9,386
For Medical Facilities/Equipment	5	76,140	7	23,199
	17	195,169	19	133,327
Grants made from Special Trusts	3	65,583	2	34,000
	20	260,752	21	167,327

Loans made

For Community facilities	-	-	1	30,000
	-	-	1	30,000

	2021		2020	
	No. of Clubs Contributing	Amount Contributed	No. of Clubs Contributing	Amount Contributed
Donations and Recognitions				
202D	28	12,100	27	14,190
202E	42	26,075	30	12,170
202F	39	18,370	33	12,650
202J	31	20,130	25	16,690
202K	39	16,125	45	15,365
202L	47	32,664	43	23,615
202M	39	23,970	38	17,590
Other	1	300	1	600
	266	149,734	242	112,870

The Lloyd Morgan Lions Clubs Charitable Trust

Statement of Financial Performance

For the year ended

30 June 2021

	Note	Actual This Year \$	Actual Last Year \$
Revenue			
Donations	1	82,731	72,368
Recognitions	1	70,300	45,105
Administration	1	3,106	4,067
Interest	1	126,113	173,533
Dividends	1	74,325	52,173
Unrealised & Realised Gain/(Loss) on Investments	1	675,521	(1,822)
Total Revenue		1,032,096	345,424
Expenses			
Costs related to providing goods or services	2	46,991	47,157
Total Expenses		46,991	47,157
Net Surplus before grants		985,104	298,267
Grants made	2	260,752	167,327
Surplus for the Year		724,353	130,940


The above financial statement should be read in conjunction with the accompanying notes on page 7 - 13

The Lloyd Morgan Lions Clubs Charitable Trust

Statement of Financial Position

As at 30 June 2021

	Note	Actual This Year \$	Actual Last Year \$
Assets			
Current Assets			
Bank accounts and cash	3	200	100
Debtors and prepayments	3	14,466	18,983
Bank call deposits	3	229,445	263,524
Investments	3	2,463,000	2,202,606
Loans to Clubs	3	20,000	30,000
Total Current Assets		2,727,111	2,515,213
Non-Current Assets			
Investments	3	5,157,273	4,642,891
Total Non-Current Assets		5,157,273	4,642,891
Total Assets		7,884,384	7,158,104
Liabilities			
Current Liabilities			
Creditors and accrued expenses	3	14,432	12,503
Total Current Liabilities		14,432	12,503
Total Liabilities		14,432	12,503
Total Assets less Total Liabilities (Net Assets)		7,869,952	7,145,601
Accumulated Funds			
Capital Fund		6,739,593	6,006,146
Income Fund		163,718	233,087
Special Trusts		966,641	906,368
Total Accumulated Funds		7,869,952	7,145,601

Signed:  Chairman

Signed:  Trustee

Date: 15 November 2021

The above financial statement should be read in conjunction with the accompanying notes on page 7 - 13

The Lloyd Morgan Lions Clubs Charitable Trust

Statement of Cash Flows

For the year ended

30 June 2021

	Actual This Year \$	Actual Last Year \$
Cash Flows from Operating Activities		
Cash was received from:		
Donations	82,731	72,368
Recognitions	73,406	60,767
Interest, dividends and other investment receipts	204,955	225,706
Loan repayments	10,000	-
Cash was applied to:		
Donations or Grants paid (net of refunds)	260,752	167,327
Loans to Clubs	-	30,000
Payments to suppliers	45,155	47,333
Net Cash Flows from Operating Activities	65,185	114,181
Cash flows from Investing and Financing Activities		
Cash was received from:		
Maturing investment receipts	2,238,543	4,059,188
Cash was applied to:		
Payments to purchase investments	2,337,707	4,202,842
Net Cash Flows used in Investing and Financing Activities	(99,164)	(143,654)
Net Increase / (Decrease) in Cash	(33,979)	(29,473)
Opening Cash	263,624	293,097
Closing Cash	229,645	263,624
This is represented by:		
Bank Accounts and Cash	200	100
Bank Call Deposits	229,445	263,524
	<u>229,645</u>	<u>263,624</u>

The above financial statement should be read in conjunction with the accompanying notes on page 7 - 13

The Lloyd Morgan Lions Clubs Charitable Trust

Statement of Accounting Policies

For the year ended

30 June 2021

Basis of Preparation

The Lloyd Morgan Lions Clubs Charitable Trust has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the

The following specific accounting policies which materially affect the measurement of comprehensive revenue and expenses and financial position have been applied:

The Lloyd Morgan Lions Club Charitable Trust has elected to adopt Tier 2 NFP PBE IPSAS 29 Financial Instruments; Recognitions and Measurement Accounting Standard. Under the Standard financial assets (bonds, investments and shares) are classified at fair value through surplus or deficit, held to maturity investments or available for sale financial assets.

Goods and Services Tax (GST)

All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

Income Tax

The Lloyd Morgan Lions Clubs Charitable Trust is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for those exemptions.

Accounts Receivable

These are valued at expected realisable value.

Investments

The investments are shown at market value, with the exception of fixed interest investments. All fixed interest investments held to maturity and are shown at cost with market fixed interest investments purchased at a premium or discount to face value recorded at cost with their value being adjusted proportionately at each balance date until they reach face value in the Trust's accounts at maturity.

Investment Gains and Losses

The Trustees resolved that, with effect from 1st July 1994, all unrealised gains or losses resulting from the revaluation of the Trust's Share and Unit Trust investment assets would be charged to the Capital Fund instead of to the Income Fund. This change, in the opinion of the Trustees, better reflects the capital nature of asset revaluation movements.

Donations

Donations are only recognised on receipt.

Interest

The Trust recognises interest income on an accrual basis.

Capital Fund

Funds received for club or individual recognitions or other club and public monies are added to the Capital Fund.

The Lloyd Morgan Lions Clubs Charitable Trust

Statement of Accounting Policies

For the year ended

30 June 2021

Income Fund

Income generated from investments held by the Trust goes into the Income Fund, and it is this money that is available to the Trustees to disburse to Clubs (either by grant or loan) according to set guidelines.

Special Trust Funds

A facility is made available to Lions Clubs, Lions related trusts and appeal committees to care for their charitable trusts. The Trust holds the monies in trust and invests on their behalf. Interest is allocated to the various funds. Where control of the funds resides with LMLCCT, they are referred to as Special Trust Funds and appear as assets of LMLCCT.

Assets Managed on Behalf of Others

Where control remains with the original club the funds are classified as Assets Managed on Behalf of Others and no longer appear in the Statement of Financial Position.

Changes in Accounting Policies

There have been no changes in the accounting policies in the current year.

Covid-19

Covid-19 has impacted the carrying value of investments during the year, however given the strong balance sheet position of the entity the Trustees continue to adopt the going concern assumption.

The Lloyd Morgan Lions Clubs Charitable Trust

Notes to the Performance Report

For the year ended

30 June 2021

Note 1 : Analysis of Revenue

Revenue Item	Analysis	2021 \$	2020 \$
Donations and other similar income	Donations from Clubs	79,434	67,765
	Pin Trading	104	25
	Lions Mints	956	1,111
	Lions Christmas Cakes	1,688	3,189
	Other	548	278
	Total		82,731
		2021 \$	2020 \$
Recognitions received from Lions Clubs	Life	28,000	18,100
	Honoured	32,100	17,230
	Honour Roll	6,900	6,865
	Friend	2,700	2,610
	Benefactor	600	300
	Total		70,300
		2021 \$	2020 \$
Revenue from providing goods or services	Administration	3,106	4,067
	Total	3,106	4,067
		2021 \$	2020 \$
Interest, dividends and other investment revenue	Interest - Income Fund	107,863	148,120
	Interest - Special Trusts	18,250	25,413
	Dividends - Income Fund	59,061	44,144
	Dividends - Special Trusts	15,264	8,029
	Total	200,438	225,706
		2021 \$	2020 \$
Realised & Unrealised Gain/(Loss) on investments.	Income Fund	580,416	(10,010)
	Special Trusts	95,105	8,188
	Total	675,521	(1,822)

The Lloyd Morgan Lions Clubs Charitable Trust

Notes to the Performance Report

For the year ended
30 June 2021

Note 2 : Analysis of Expenses

Expense Item	Analysis	2021	2020
		\$	\$
Costs related to providing goods or services	Direct costs related to service delivery	2,973	4,050
	Administration and overhead costs		
	- Income Fund	29,257	28,280
	- Special Trusts	2,762	2,827
	Audit Fee	12,000	12,000
	Total	46,991	47,157
		2021	2020
		\$	\$
Grants and Loans made	Grants - Income Fund (net of refunds)	195,169	133,327
	Grants - Special Trusts	65,583	34,000
	Total	260,752	167,327

The Lloyd Morgan Lions Clubs Charitable Trust

Notes to the Performance Report

For the year ended
30 June 2021

Note 3 : Analysis of Assets and Liabilities

Asset Item	Analysis	2021 \$	2020 \$
Bank accounts and cash	Current accounts balance	200	100
	Total	200	100
Asset Item	Analysis	2021 \$	2020 \$
Debtors and prepayments	GST Receivable	549	600
	Interest accruals	11,788	16,863
	Accounts Receivable	2,129	1,520
	Total	14,466	18,983
Asset Item	Analysis	2021 \$	2020 \$
Other current assets	Bank call deposits	229,445	263,524
	Loans to Clubs	20,000	30,000
	Total	249,445	293,524
Asset Item	Analysis	2021 \$	2020 \$
Investments	Stocks and shares	2,695,273	1,729,891
	Fixed interest investments	4,925,000	5,115,606
	Total	7,620,273	6,845,497
Liability Item	Analysis	2021 \$	2020 \$
Creditors and accrued expenses	Accrued expenses	14,432	12,503
	Total	14,432	12,503

The Lloyd Morgan Lions Clubs Charitable Trust

Notes to the Performance Report

For the year ended
30 June 2021

Note 4: Accumulated Funds

Description	2021			
Description	Capital Fund	Income Fund	Special Trusts	Total
Opening Balance	6,006,146	233,087	906,368	7,145,601
Donations	82,731			82,731
Recognitions	70,300			70,300
Realised & Unrealised Investment Gains/(Losses)	580,416		95,105	675,521
Investment Income/Administration Income		170,030	33,513	203,543
Grants (net of grants returned)		(195,169)	(65,583)	(260,752)
Expenses		(44,230)	(2,762)	(46,992)
Closing Balance	6,739,593	163,718	966,641	7,869,952

Description	2020			
Description	Capital Fund	Income Fund	Special Trusts	Total
Opening Balance	5,898,683	214,413	901,565	7,014,661
Donations	72,368			72,368
Recognitions	45,105			45,105
Realised & Unrealised Investment Gains/(Losses)	(10,010)		8,189	(1,821)
Investment Income/Administration Income		196,332	33,441	229,773
Grants (net of grants returned)		(133,327)	(34,000)	(167,327)
Expenses		(44,331)	(2,827)	(47,158)
Closing Balance	6,006,146	233,087	906,368	7,145,601

Note 5 : Commitments and Contingencies

Commitments

There are no commitments as at balance date (Last Year - nil)

Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at balance date (Last Year - nil)

The Lloyd Morgan Lions Clubs Charitable Trust

Notes to the Performance Report

For the year ended
30 June 2021

Note 6 : Assets held on behalf on Others

Assets Held on Behalf of Others

Description of the Assets Held	Name of Entity of Whose Behalf Assets are Held
Bank call deposits	LCI District 202K Charitable Trust - Youth Fund
Fixed interest investments	Room at the Inn Fund
Equities	LCI District 202M Charitable Trust (Playscape Fund)
	Christchurch Avonhead Lions Club
	Lions Club of Orewa Charitable Trust Project Hope Appeal
	Lions Club of Rimutaka Charitable Trust
	The Lions Eye Research Charitable Trust
	Lions Club of Hinds & District Charitable Trust
	Lions Club of Silverstream Charitable Trust
	Colleen Harvey Youth Charitable Trust
	Lions Club of Otorohanga
	Chch Nth Beckbessinger Fund

Amount held: \$940,816

Note 7 : Related Party Transactions

Related Party Disclosures

2021

Nil

2020

202E District Trustee DG Paul O'Connor is a member of the Lions Club of Halswell District which was the recipient of a grant to purchase outdoor equipment for Hillmorton High School

Note 8 : Events After Balance Date

Events After the Balance Date:

There were no events that have occurred after the balance date that would have a material impact on the Performance Report. (Last Year Nil)

Independent Auditor's Report

To the Trustees of The Lloyd Morgan Lions Clubs Charitable Trust

Qualified Opinion

We have audited the performance report of The Lloyd Morgan Lions Clubs Charitable Trust (the 'Trust'), which comprises the statement of financial position as at 30 June 2021, and the entity information, statement of service performance, statement of financial performance, and statement of cash flows for the year ended, and the notes to the performance report.

In our opinion:

- The reported outcomes and outputs, and quantification of the outputs to the extent practicable in the statement of service performance are suitable;
- The performance report on pages 1 to 13, presents fairly, in all material respects, the financial position of the Trust as at 30 June 2021, its financial performance and cash flows, the Trust information and the service performance for the year then ended in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-for-Profit) issued by the New Zealand Accounting Standards Board ('PBE SFR – A (NFP)').

Basis for qualified opinion

In common with other organisations of a similar nature, control over revenues from donations prior to being banked is limited. It was not practicable to extend our examination of donations beyond the accounting for amounts received as shown by the accounting records of the Trust, or to determine the effect of the limited control.

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'), and the audit of the Trust information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised) ('ISAE (NZ) 3000 (Revised)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Performance Report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Trust in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor, we have no relationship with or interests in the Trust, except that partners and employees of our firm may deal with the Trust on normal terms within the ordinary course of trading activities of the business of the Trust.

Trustees responsibilities for the performance report

The Trustees are responsible on behalf of the Trust for:

- Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- the preparation and fair presentation of the performance report on behalf of the Trust in accordance with PBE SFR – A (NFP), and
- for such internal control as the Trustees determine is necessary to enable the preparation of a performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Trustees are responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the performance report

Our objectives are to obtain reasonable assurance about whether the performance report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, ISAs (NZ) and ISAE (NZ) 3000 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this performance report.

As part of an audit in accordance with ISAs, ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on use

This report is made solely to the Trustees, as a body. Our audit has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte Limited

Deloitte, New Zealand
15 November 2021